

**SIKKIM**



**GOVERNMENT** **GAZETTE**



**EXTRAORDINARY  
PUBLISHED BY AUTHORITY**

## Gangtok

**Tuesday 31st March, 2020**

No. 90

**LAW DEPARTMENT  
GOVERNMENT OF SIKKIM  
GANGTOK**

No. 2/LD/20

**Dated : 31.03.2020**

## **NOTIFICATION**

The following Act passed by the Sikkim Legislative Assembly and having received assent of the Governor on 25<sup>th</sup> day of March, 2020 is hereby published for general information :-

**THE SIKKIM PROTECTION OF INTERESTS OF DEPOSITORS  
(IN FINANCIAL ESTABLISHMENTS) AMENDMENT ACT, 2020  
(ACT NO. 2 OF 2020)**

**AN  
ACT**

to amend the Sikkim Protection of Interests of Depositors (In Financial Establishments) Act, 2009.

**BE** it enacted by the Legislature of Sikkim in the Seventy-first Year of the Republic of India as follows: -

## Short title, extent and commencement

1. (1) This Act maybe called the Sikkim Protection of Interests of Depositors (in Financial Establishments) (Amendment) Act, 2020.  
(2) It shall extend to the whole of Sikkim.  
(3) It shall come into force at once.

**Substitution of  
reference to  
certain  
expressions by  
certain other  
expression**

**Amendment  
of section 2**

3. In the said Act, in section 2, -
  - (1) for existing clause(c), the following shall be substituted, namely:-

"(c) "Deposit" includes and shall be deemed always to have included any receipt of money, or acceptance of any valuable commodity, to be returned after a specified period or otherwise either in cash or in kind or in the form of a specified service, by any financial establishment with or without any benefit in the form of interest, bonus, profit or in any other form, but does not include:-

    - (i) any amount raised by way of share capital or by way of debenture, bond or any other instrument covered under guidelines given, and regulation made by the Securities and Exchange Board of India Act, 1992;
    - (ii) any amount received by way of contribution towards capital from partners of a firm;
    - (iii) any amount received from a schedule bank or a co-operative bank or any other banking company as defined in clause (c) of section 5 of the Banking Regulation Act, 1949;
    - (iv) any amount received from the Industrial Development Bank of India, a State Financial Corporation, any financial institution specified in or under section 4A of the Companies Act, 1956 or any other institution that may be specified by the Government in this behalf";

(2) after clause (c), the following new clause (cc) shall be inserted namely:-"(cc) "Depositor" means a person who has made deposit with any financial establishments";

(3) in clause (d), after the words "any other manner" and before the words "but does not include", the following words shall be inserted namely:-  
"Including the director, promoter, partner, manager or member of the said establishment accepting deposits."

**Amendment  
of section 3**

4. In the said Act, for the existing section 3 and the entries relating thereto, the following shall be substituted, namely:-

"3 (1) The Secretary, Home Department shall be the Competent Authority or Administrator and the Director of Economic Offences, designated by the State Government by notification under sub-section (2) shall be the co-competent Authority for the purpose of this Act.

(2) The Government may, by notification, appoint one or more authorities for such area or areas or for such case or cases as may be specified in the notification as Competent Authority to exercise powers authorized by this Act.

(3) The Competent Authority shall have such other powers as may be necessary for carrying out the purposes of this Act."

**Amendment  
of section 14**

5. In the said Act, in section 14, after words "15 (fifteen) days thereafter", the words, "the same will be shared with other regulators of the country and state" shall be inserted.

**Amendment  
of section 17**

6. In the said Act, in section 17, for the existing sub-section (3), the following shall be substituted, namely:-

"(3) Either on receipt of a complaint under sub-section (2) or suo-moto when it is satisfied from other sources that the establishment has failed to return deposit or pay interest or to provide the services promised, the Competent Authority and the Co-competent Authority shall within 7 (seven) days therefrom, direct the defaulting Financial Establishments to make payment due to the depositor together with the interest mentioned at sub-section (1) within 10 (ten) days after issue of such direction."

**Amendment  
of section 18**

7. In the said Act, in section 18, in sub-section (ii), the words "or if it transpires that such movable or immovable property is not available for attachment or not sufficient for repayment of the deposits, such other property of the said Financial Establishment" shall be omitted and after the words "Competent Authority.", the following words shall be inserted, namely:-

"The District Magistrates or the Additional District Magistrates are designated as Co-Administrators to manage the attached properties."

**Jagat B. Rai (SSJS)  
LR-cum-Secretary  
Law Department**